# **EXHIBIT "14"**

☐ Seven Brothers, LLC☐ SJD Partners, Ltd.

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Entered 04/12/10 20:07:44

Exhibit 14

 N.A. ("JPM"). See May 1, 2009 email attached hereto as Exhibit "A." In such email, counsel stated that "Rather than expend Fenway's time and SunCal's money [taking a deposition of Fenway], we would like to simply address these matters with you in a telephone conference on Monday."

- 3. As a courtesy to counsel and to avoid Fenway personnel from being distracted by discovery in a litigation in which they have no economic interest, as further described below, I spoke with Mr. O'Keefe on Monday, May 4, 2009.
- 4. On May 12, 2009, counsel for LBHI and other Lehman entities (collectively, "Lehman"), provided to me a copy of the unilateral status report filed by the Debtors in these cases, purporting to describe my conversation with Debtors' counsel. In response, I sent the email attached hereto as Exhibit "B" to Debtors' counsel alerting him to my disagreement with his characterization of my statements. Days later, Fenway was served with subpoenas.
- 5. Notwithstanding my May 12 email, Debtors' counsel continues to omit important facts communicated to him regarding Fenway's interest in the subject loans. For example, while it is correct that Fenway purchased interests in the loans pursuant to a repurchase agreement, it is not true that "the Lehman Entities relinquished all right, title and interest" in the loans. Pleading Obj., 3, 5, 12-15. As set forth in my May 12 email, the loans serve as the ultimate collateral for the CP Notes issued by Fenway Funding to LBHI. LBHI pledged the CP Notes to JPM. As acknowledged by Mr. O'Keefe in his email to Amy Wolf, Esq., counsel for JPM, dated May 1, 2009, which he had forwarded to me with his email request to speak to me (see Exhibit A), JPM did not foreclose on the commercial paper notes, and they are accordingly, the property of LBHI, subject to

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JPM's lien. While Fenway Capital may have legal title to interests in the loans in question, LBHI has the beneficial interest.

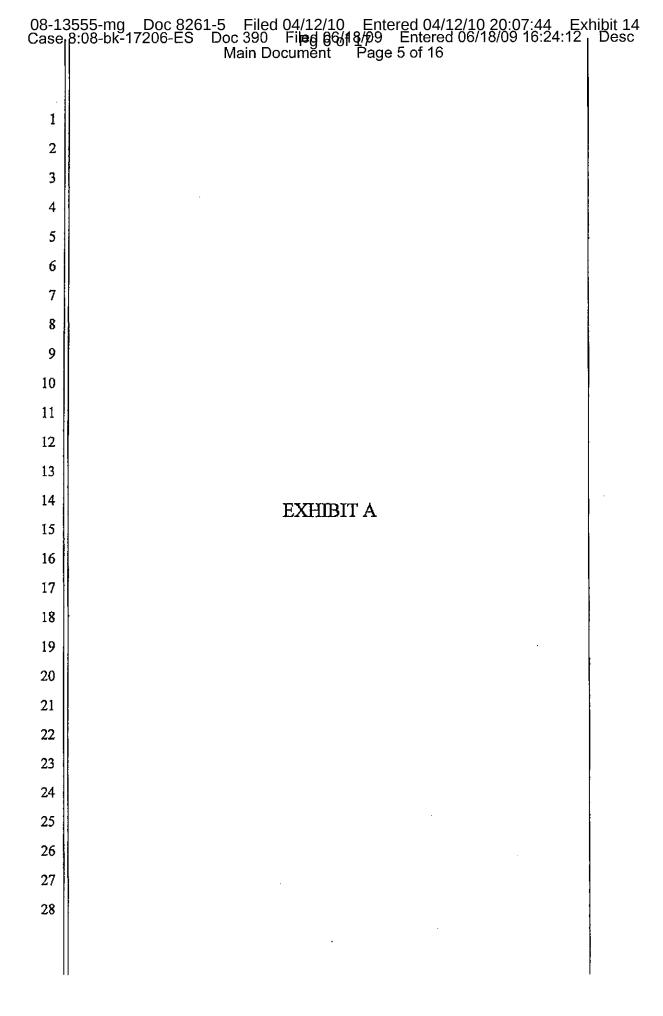
- 6. It is this very important fact which underlies my statement in an email to Debtors' counsel that "Fenway has been working hard (and still negotiating) to extricate itself from the middle of the transaction since September of 2008," a fact which Debtors' counsel fails to mention. Pleading Obj., 5, 11. As I stated to Debtors' counsel, in both writing and during our conversation, if loan proceeds are paid to Fenway Capital, those same proceeds will be transferred ultimately to LBHI. Conversely, neither Fenway Capital nor Fenway Funding is liable for amounts under the CP Notes under the governing agreements in the event there are insufficient proceeds from the loans to repay in full the CP Notes. The holder of the CP Notes ultimate recourse is only to the underlying collateral. Simply put, Fenway has no "skin" in the game.
- 7. Most importantly, however, Fenway purchased loans governed by loan agreements under which a Lehman entity serves as agent. Fenway has not terminated such entity's role as agent and fully supports Lehman's efforts in the Debtors' cases in connection with the loans.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 18th day of June 2009, in New York, New York.

Irena Goldstein

NY3 3030794.2 100562 000001 6/18/2009 01:53pm



### Goldstein, Irena

From: Sean O'Keefe [sokeefe@winthropcouchot.com]

Sent: Friday, May 01, 2009 6:04 PM

To: Goldstein, Irena

Cc: 'bprocel@millerbarondess.com'; 'mpritikin@millerbarondess.com'

Subject: FW: SunCal/Lehman

#### Dear Ms. Goldstein:

As you are aware, this firm represents certain SunCal entities in an ongoing litigation matter against certain Lehman Brothers entities here in the United States Bankruptcy Court Central District of California. Certain Commercial Paper Notes issued by Fenway Funding, LLC were pledged by one or more Lehman Brothers entities to JP Morgan Chase. This pledge was further collateralized by the a series of loans that Lehman Brothers entities made to the SunCal entities (the "SunCal Loans").

We have received discovery from JP Morgan Chase relating to the above transactions. This discovery confirms that the SunCal Loans were sold to Fenway Capital, Inc. pursuant to a repurchase transaction governed by that certain *Master Repurchase Contract* dated August 22, 2008. Although Lehman Brothers retains possession of the SunCal Loans in its capacity as the Hold-In-Custody Agent for Fenway Capital, counsel for JP Morgan Chase has confirmed that Fenway Capital is obligated to turnover to JP Morgan Chase, as the pledgee of the Commercial Paper Notes, any collections paid to Fenway Capital as title holder.

There are certain facts regarding these transactions that we need to clarify and counsel for JP Morgan Chase has indicated that Fenway would be the right party to address these issues. Since the pending litigation is moving rapidly, we need to clarify these points of information with you as soon as possible, or alternatively arrange a PMK deposition for Fenway Funding and Fenway Capital. Rather than expend Fenway's time and SunCal's money in this regard, we would like to simply address these matters with you in a telephone conference on Monday.

Please let me know when you would be available.

Sean A. OKeefe Winthrop Couchot, P.C. Co-counsel to certain SunCal entities

From: Sean O'Keefe

Sent: Friday, May 01, 2009 12:34 PM

To: 'arwolf@wirk.com'

Cc: 'mpritkin@millerbarondess.com'

Subject: SunCal/Lehman

Dear Ms. Wolf:

It was a pleasure speaking with you this morning. During our conversation you confirmed that JPMorgan Chase did not foreclose on the commercial paper notes as referenced in the letter of September 25, 2008 from Ms. Sharf to Deutsche Bank Trust Company Americas (the "Sharf Letter"). The pledge of the notes from Lehman remains effective. You also confirmed that the two guarantees and the security agreement referenced the Sharf Letter do not convey upon JPMorgan Chase a lien against the mortgage loans that Lehman made to the various SunCal entities (the "SunCal Loans"), which are the subject of the Master Repurchase Agreement dated August 22, 2008 (the "MRA"). The SunCal Loans remain subject to the repo under the MRA, and your recourse with respect to these loans is only against Fenway, when the same collects whatever is payable on these repo'd obligations.

Based on your representations, it appears that the information we are seeking is apparently in the possession of Fenway. Accordingly, we will contact them regarding this matter.

Again, we appreciate your time and consideration

Sincerely,
Sean A. OKeefe,
Co-counsel to the Palmdale Hills, LLC, et. al.

08-13555-mg Doc 8261-5 Filed 04/12/10 Entered 04/12/10 20:07:44 Exhibit 14 Case 8:08-bk-17206-ES Doc 390 Filed 96/18/99 Entered 06/18/09 16:24:12 Desc Main Document Page 8 of 16					
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# Goldstein, Irena

From: Goldstein, Irena

Sent: Tuesday, May 12, 2009 6:05 PM

To: 'Sean O'Keefe'; 'bprocel@millerbarondess.com'; 'mpritikin@millerbarondess.com'

Cc: 'daniel.mette@weil.com'; 'edward.soto@weil.com'

Subject: RE: SunCal/Lehman

All,

Weil Gotshal forwarded to me the "supplemental unilateral status report" you filed in the adversary proceeding pending between your clients and Lehman ALI, Inc. and other Lehman debtors.

Your statement concerning our conversation is misleading. More importantly, your conclusion that Lehman has no "legal interest" in the sold loans as a result of the Fenway transaction does not comport at all with our discussions.

To start from the beginning, Fenway Funding issued CP Notes to LBHI. We have been advised that LBHI pledged its interest in the CP Notes to JPM. The collateral for the CP Notes are the proceeds of the Series 2008-2 Note issued by Fenway Capital. The Series 2008-2 Note is secured by Fenway Capital's rights under a master repurchase agreement between LCPI and Fenway Capital. Under the master repurchase agreement, LCPI sold its interests in certain loans and securities to Fenway Capital.

You contend in your report to the court that by selling such loans under the repurchase agreement, LCPI and LBHI have no rights in the loans. What you gloss over, among other things, is that it is our understanding that LBHI is the *owner* of the CP Notes and the collateral for the CP Notes is ultimately the sold loans. To the best of my knowledge, JPM has not foreclosed on the CP Notes. Accordingly, LBHI as the owner of the CP Notes, is the beneficiary of the collateral ultimately securing such CP Notes, which includes the sold loans.

In this regard, and as I stated to you, Fenway has been working hard (and is still negotiating) to extricate itself from the middle of the transaction since September 2008. Prior to LBHI's bankruptcy proceeding, LCPI and Fenway entered into a termination agreement, the intent of which was to terminate the repurchase agreement, leave LCPI with the sold loans and return the cancelled CP Notes to Fenway. LBHI filed for bankruptcy protection prior to returning the CP Notes. If the repurchase agreement was terminated, LCPI is the owner of the sold loans. If the repurchase agreement was not terminated and the CP Notes not cancelled, then as owner of the CP Notes, LBHI ultimately has the right to the sold loans. The fact that LBHI may, at the end of the day, have to turn over some or all of the proceeds of the CP Notes to JPM does not change the fact that LBHI is the owner of the CP Notes

It is apparent that the purpose of your "unilateral status report" is to create a question around whether LCPI or LBHI have the authority to pursue remedies against SunCal under the sold loans. (Interestingly, you do not even mention Lehman's status as agent bank.) Make no mistake about it, without waiving any rights that Fenway may have against LBHI, LCPI any Lehman entity, JPM or the SunCal debtors, Fenway does not object to LBHI's and LCPI's enforcement of the rights of the "lenders" under the sold loans.

Regards,

08-13555-mg Doc 8261-5 Filed 04/12/10 Entered 04/12/10 20:07:44 Exhibit 14 Case 8:08-bk-17206-ES Doc 390 Filed 06/18/09 Entered 06/18/09 16:24:12 Desc Main Document Page 10 of 16

Irena

Irena Goldstein
Partner, Business Solutions and Governance
Dewey & LeBoeuf LLP
1301 Avenue of the Americas
New York, NY 10019
Direct: +1 212 259 7035
General: +1 212 259 8000
Fax: +1 212 259 6333
igoldstein@dl.com
www.dl.com

Main Document Page 11 of

PALMDALE HILLS PROPERTY, LLC. AND ITS RELATED DEBTORS,

**CASE NUMBER 08-17206-ES** Debtor(s).

NOTE: When using this form to indicate service of a proposed order, DO NOT list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

# PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

<del>-</del>				
	10100 Santa Monica Blvd., 11	<sup>h</sup> Floor, Los Angeles, CA 90067		
OPPOSITION OF LEHMAN A OVC HOLDINGS LLC TO: (1 BY THE LEHMAN ENTITIES:	ALI, INC., LEHMAN COMMER  ) DEBTORS' OBJECTIONS T  ; AND (2) DEBTORS' MOTION  erved or was served (a) on the	NA GOLDSTEIN IN SUPPORT CONSOLIDATED CIAL PAPER INC. NORTHLAKE HOLDINGS LLC A D AND MOTION FOR ORDER STRIKING CLAIMS F I FOR ORDER STRIKING PLEADINGS FILED BY T judge in chambers in the form and manner required	<u>FILED</u> <u>'HE</u>	
Order(s) and Local Bankrupto to the document. OnJune 1	y Rule(s) ("LBR"), the foregoin 8, 2009 I checked the C at the following person(s) are	TRONIC FILING ("NEF") – Pursuant to controlling Good document will be served by the court via NEF and home M/ECF docket for this bankruptcy case or adversary on the Electronic Mail Notice List to receive NEF trans	nyperlink	
		⊠ Service information continued on attached	ed page	
On <u>June 18, 2009</u> bankruptcy case or adversary States Mail, first class, postag	I served the following person proceeding by placing a true are e prepaid, and/or with an over	method for each person or entity served): on(s) and/or entity(ies) at the last known address(es) ind correct copy thereof in a sealed envelope in the Unight mail service addressed as follows. Listing the judy completed no later than 24 hours after the document	Jnited <i>udge</i>	
JUDGE'S COPY [Overnight M	lail satisfies all service condition	ns]		
The Honorable Erithe A. Smith United States Bankruptcy Cou Ronald Reagan Federal Build United States Courthouse 411 West Fourth Street, Suite Santa Ana, CA 92701-4593	urt - Central District of Californi ing and	a		
		⊠ Service information continued on attached	ed page	
III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on				
		Service information continued on attach	ed page	
declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.				
June 18, 2009 Date	Melisa DesJardien Type Name	Isl Melisa DesJardien Signature		

8-13555-mg<sub>17</sub>20c 8261<sub>-</sub>5<sub>c</sub> 5iled 04/12/10<sub>18</sub> Entered 04/12/10 20:07:44<sub>1</sub>:Exhibit 1<sub>4</sub>

In re:

Main Document<sup>3 UI</sup>Page 12 of

PALMDALE HILLS PROPERTY, LLC. AND ITS RELATED DEBTORS,

2 of **1**6<sub>HAPTER 11</sub>

Debtor(s).

CASE NUMBER 08-17206-ES

#### I. SERVED BY NEF

# 8:08-bk-17206-ES Notice will be electronically mailed to:

- Joseph M Adams for Defendant The City of San Juan Capistrano jadams@sycr.com
- Raymond H Aver for Interested Party Dou Family Trust Dated November 12, 1992 ray@averlaw.com
- James C Bastian for Creditor ARB, Inc. jbastian@shbllp.com
- John A Boyd for Interested Party Oliphant Golf Inc fednotice@tclaw.net
- Dan E Chambers for Creditor EMR Residential Properties LLC dchambers@jmbm.com
- Shirley Cho for Creditor Lehman ALI, Inc. scho@pszjlaw.com
- Vonn Christenson for Interested Party Courtesy NEF vrc@paynefears.com
- Vincent M Coscino for Petitioning Creditor CST Environmental Inc emurdoch@allenmatkins.com
- Paul J Couchot for Debtor ACTON ESTATES, LLC pcouchot@winthropcouchot.com, pj@winthropcouchot.com
- Jonathan S Dabbieri for Interested Party Courtesy NEF dabbieri@shlaw.com
- Ana Damonte for Creditor Top Grade Construction, Inc. ana.damonte@pillsburylaw.com
- Melissa Davis for Creditor City of Orange mdavis@shbllp.com
- Daniel Denny for Interested Party Courtesy NEF ddenny@gibsondunn.com
- Caroline Djang for Creditor Lehman ALI, Inc. crd@jmbm.com
- Donald T Dunning for Creditor Hertz Equipment Rental Corporation ddunning@dunningLaw.com
- Joseph A Eisenberg for Creditor Lehman ALI, Inc. jae@jmbm.com
- Lei Lei Wang Ekvall for Creditor Committee Joint Committee of Creditors Holding Unsecured Claims lekvall@wgllp.com
- Richard W Esterkin for Debtor Palmdale Hills Property, LLC resterkin@morganlewis.com
- Marc C Forsythe for Attorney Robert Goe kmurphy@goeforlaw.com
- Alan J Friedman for Attorney Irell & Manella LLP afriedman@irell.com
- Robert P Goe for Attorney Robert Goe kmurphy@goeforlaw.com
- Eric D Goldberg for Interested Party Courtesy NEF egoldberg@stutman.com
- Kelly C Griffith for Interested Party Courtesy NEF bkemail@harrisbeach.com

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In re:

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PALMDALE HILLS PROPERTY, LLC. AND ITS RELATED DEBTORS.

CHAPTER 11

Debtor(s).

CASE NUMBER 08-17206-ES

- Asa S Hami for Debtor Palmdale Hills Property, LLC ahami@morganlewis.com
- Michael J Hauser for U.S. Trustee United States Trustee (SA) michael.hauser@usdoj.gov
- D Edward Hays for Creditor Philip Dowse ehays@marshackhays.com
- Michelle Hribar for Plaintiff EMR Residential Properties LLC mhribar@rutan.com
- Lawrence A Jacobson for Creditor BKF Engineers laj@cohenandjacobson.com
- Stephen M Judson for Petitioning Creditor The Professional Tree Care Co sjudson@fablaw.com
- David I Katzen for Interested Party Bethel Island Municipal Improvement District katzen@ksfirm.com
- Christopher W Keegan for Creditor SC Master Holdings II LLC ckeegan@kirkland.com, emilee@kirkland.com;alevin@kirkland.com
- Irene L Kiet for Creditor BNB Engineering, Inc. ikiet@hkclaw.com
- Mark J Krone for Creditor Bond Safeguard Insurance Comk@amclaw.com
- Leib M Lerner for Creditor Steiny and Company, Inc. leib.lerner@alston.com
- Peter W Lianides for Debtor Palmdale Hills Property, LLC pj@winthropcouchot.com
- Charles Liu for Debtor Palmdale Hills Property, LLC cliu@winthropcouchot.com
- Kerri A Lyman for Attorney Irell & Manella LLP klyman@irell.com
- Mariam S Marshall for Creditor RGA Environmental, Inc. mmarshall@marshallramoslaw.com
- Robert C Martinez for Creditor TC Construction Company, Inc rmartinez@mclex.com
- Hutchison B Meltzer for Creditor Committee Joint Committee of Creditors Holding Unsecured Claims hmeltzer@wgllp.com
- Joel S. Miliband for Creditor RBF CONSULTING jmiliband@rusmiliband.com
- James M Miller for Debtor Palmdale Hills Property, LLC jmiller@millerbarondess.com
- Louis R Miller for Plaintiff Palmdale Hills Property, LLC smiller@millerbarondess.com
- Douglas M Neistat for Defendant Desert Pipeline, Inc. twilliams@greenbass.com
- Mike D Neue for Trustee Steven Speier mneue@thelobelfirm.com
- Robert Nida for Creditor Kirk Negrete, Inc Rnida@castlelawoffice.com
- Penelope Parmes for Creditor Rubidoux 60 LLC pparmes@rutan.com
- Ronald B Pierce for Creditor Griffith Company ronald.pierce@sdma.com

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In re:

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"Page 14 of 1

PALMDALE HILLS PROPERTY, LLC. AND ITS RELATED DEBTORS,

- -- Felial ICK

Debtor(s).

CASE NUMBER 08-17206-ES

- Raymond A Policar for Creditor Williams+Paddon Architects+Planners, Inc. hausermouzes@sbcglobal.net
- Cassandra J Richey for Creditor Patricia I Volkerts, as Trustee, et al cmartin@pprlaw.net
- Debra Riley for Interested Party City of Palmdale driley@allenmatkins.com
- Martha E Romero for Creditor San Bernardino County Tax Collector Romero@mromerolawfirm.com
- William D Schuster for Creditor HD Supply Construction Supply LTD bills@allieschuster.org
- Michael St James for Creditor MBH Architects, Inc. ecf@stjames-law.com
- Todd L Turoci for Creditor Philip Dowse tturoci@aol.com
- United States Trustee (SA) ustpregion16.sa.ecf@usdoj.gov
- Jason Wallach for Interested Party Courtesy NEF iwallach@bergerkahn.com
- Christopher T Williams for Creditor Danske Bank A/S London Branch ctwilliams@venable.com
- David M Wiseblood for Creditor Bethel Island Municipal Improvement District dwiseblood@seyfarth.com
- Arnold H Wuhrman for Creditor Wayne Lee Wuhrman@serenitylls.com
- Dean A Ziehl for Creditor Lehman ALI, Inc. dziehl@pszjlaw.com, dziehl@pszjlaw.com

#### II. SERVED BY U.S. MAIL

# 8:08-bk-17206-ES Notice will not be electronically mailed to:

Tab L K Artis 301 N Lake Ave 7th Fl Pasadena, CA 91101

Sharon A Bangs Crawford & Bangs 1290 E Center Ct Dr Covina, CA 91724

William G Bissell 110 Newport Ctr Dr Ste 200 Newport Beach, CA 92660

John W Busby 251 Lafayette Circle Ste 350 Lafayette, CA 94549

Brent S Clemmer Slovak Baron & Empey LLP 1800 E Tahquitz Cyn Wy Palm Springs, CA 92262 08-13555-mg Doc 8261-5 Filed 04/12/10 8/5 tered 04/12/19205076441:15 xhjbjt 14 Sase 8:08 bk 17206 ES Doc 390 Filed 15 of 16 hapter 11 Main Document o Page 15 of 16 hapter 11

In re: Main Document O Page
PALMDALE HILLS PROPERTY, LLC. AND ITS RELATED DEBTORS,

Debtor(s).

CASE NUMBER 08-17206-ES

Wayne W Call Call, Jensen & Ferrell 610 Newport Ctr Dr Ste 700 Newport Beach, CA 92660

Adrianna Corrado Lanak & Hanna 400 N Tustin Ave Ste 120 Santa Ana, CA 92705-3815

Donald B Devirian
Devirian & Shinmoto
11400 W Olympic Blvd Ste 200
Los Angeles, CA 90064

Steven M Garber 1901 Ave Of The Stars #1100 Los Angeles, CA 90067

Stanley Haren Gill & Baldwin 130 N Baldwin Blvd #405 Glendale, CA 91203

William R Hart Hart King & Coldren 200 Sandpointe Fourth Fl Santa Ana, CA 92707

Andrew C Kienle 200 Sandpointe, 4th FI Santa Ana, CA 92707

Vivian Le Gary R King & Associates 30950 Rancho Viejo Rd Ste 155 San Juan Capistrano, CA 92675

Michael D. May 250 W First St, Ste 256 Claremont, CA 91711

Mark E McKane Kirkland & Ellis LLP 555 California St San Francisco, CA 94104

Raymond D Scott 1835 W Orangewood Ave Ste 255 Orange, CA 92868

Kimberly A Soyer 251 Lafayette Cir, Ste 350 Lafayette, CA 94549 08-13555-mg Doc 8261-5 Filed 04/12/10 Entered 04/12/10 20:07:44 Exhibit 14

In re:

Main Document ' Page 16 of

CHAPTER 1

PALMDALE HILLS PROPERTY, LLC. AND ITS RELATED DEBTORS,

Debtor(s).

CASE NUMBER 08-17206-ES

Joseph L Strohman Ferguson Case Orr Paterson LLP 1050 S Kimball Rd Ventura, CA 93004

Theresa Crawford Tate Crawford & Bangs LLP 1290 E Center Crt Dr Covina, CA 91724

Weiland Golden Smiley Wang Ekvall & Strok, LLP 650 Town Center Dr Ste 950 Costa Mesa, CA 92626

Douglas F Welebir Welebir Tierney & Weck 2068 Orange Tree Ln Ste 215 Redlands, CA 92374

# III. SERVED BY E-MAIL

Paul Couchot - pcouchot@winthropcouchot.com

William Lobel - wlobel@thelobelfirm.com

Louis Miller - smiller@millerbarondess.com

Steven N. Speier - sspeier@squarmilner.com (Chapter 11 Trustee, c/o Squar Nilner)

Edward Soto - Edward.soto@weil.com

Carrolynn H. G. Callari - ccallari@venable.com

Timothy J. Gorry - tgorry@venable.com

Palmdale Hills Property, LLC and its related entities - bcook@suncal.com